



NPERS

Nebraska Public Employees
Retirement Systems

402-471-2053 or 800-245-5712 Fax: 402-471-9493
npers.ne.gov

2017

School Employer Workshops

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Nebraska Public Employees Retirement Systems

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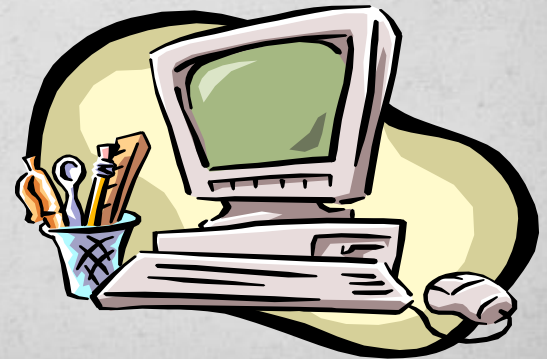
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Agenda

- ☐ **Legislation**
- ☐ **Employer Manual / Revisions**
- ☐ **Eligibility**
- ☐ **Employer Reporting**
- ☐ **Fun with Adjustments!**
- ☐ **Termination / Reemployment**
- ☐ **Internal Auditing**
- ☐ **Things and Stuff / Reminders**
- ☐ **Retirement 101 (Optional)**

Legislation—LB415

Disability

- ❑ Defined as inability to engage in any substantially gainful activity by reason of any medically determinable physical or mental impairment diagnosed or became disabling while the member was actively participating in the plan.
- ❑ Application must be made within one year of termination of employment

Legislation—LB415

Service Credit

- ❑ Employees hired on or after July 1, 2018
 - ❑ Leave must be accrued by the member. Sick Leave Bank or donated leave used by the member is not eligible for service credit
 - ❑ Jury duty is included as service credit when full compensation is paid by employer
 - ❑ Language added limiting service credit to the statutory definitions

Legislation—LB415

12-month Pre-retirement Service Purchase

Removed language allowing employers to pay for purchase of service under the 12-month preretirement provision and requires these purchases be paid by the employee.

Legislation—LB415

Termination Procedures

Employers participating in the plan must provide written notification of all terminations that shall include...

- ❑ Whether or not the member accepted and received a retirement incentive
- ❑ Written certification from both member & employer that prior to termination, there was no prearranged written or verbal agreement to return to work in any capacity

Legislation—LB415

Qualified Military Service

Members reemployed after qualified military service will be granted vesting and benefit credit for the period of service. The employer shall be responsible for funding military service benefits including both member and employer contributions. Only applies to service that falls within the definition of uniformed service. Payments are due within 18 months. Late payments are subject to actuarial costs and interest.

Legislation—LB415

Retirement Incentives

Clarifies early retirement incentives are not counted as compensation for all plan members.

School Employer Manual

- ☐ **Email notifications when an updated version is available**
- ☐ **Newest version available electronically – npers.ne.gov**
- ☐ **Located under Employer Reports - School in PDF format**
- ☐ **Navigating the ER Manual online**

Manual Revisions

Significant format changes

- ☐ **Simplified location and improved layout of information**
- ☐ **Continuous work in process**

Content changes

- ☐ **LB415**
- ☐ **Chapter 2 - Records Retention added**

Manual Revisions

Document Retention Guidelines

Chapter 2

- ❑ Refer to Secretary of State Records Management website
 - ❑ sos.ne.gov/records-management/records_mgmt._act.html
 - ❑ sos.ne.gov/records-management/retention_schedules.html
- ❑ Schedule 10 paragraphs 10-6-8
- ❑ Schedule 24-41 Employment History
 - ❑ Employees in a defined benefit plan – 50 years after termination

Manual Revisions

Employment Contracts

Chapter 3

Nebraska statute requires a written contract for all public school administrators and teachers

All contracts must specify the period of employment including the starting and ending date of the contract

Eligibility

NPERS Estimator

- ☐ Asks a series of questions concerning the employee's position
- ☐ Includes comments, notes, and warnings
- ☐ Has been correct in various scenarios presented to NPERS from reporting agents
- ☐ Contact NPERS for additional assistance
- ☐ Use as often as necessary
- ☐ Reflects most current statute and rules and regulation updates

Eligibility

Mandatory Participation

- ☐ Age 18 or older
- ☐ Full-time contract
- ☐ Permanent position(s) working 20 hrs/wk or more with “same employer” (effective 4/25/2013)
- ☐ Avg. hours increase to 20 hrs/wk or more with the “same employer” for any 3 calendar months in a plan year (July 1–June 30)
- ☐ Temporary averages 20 or more per week in position lasting more than one year

Eligibility

Who Cannot Participate

- ☐ Employee under the age of 18 years
- ☐ Employees averaging less than 20 hours/week with the “same employer”
- ☐ Temporary and substitutes-unless already eligible due to another position(s) with the same school district
- ☐ Temporary residents of the United States who do not have permanent resident alien status
- ☐ Non-certificated employees who hold a VALID election of non-membership

Employer Reporting

Compensation Includes

- ☐ **Overtime or extra duty**
- ☐ **Member Retirement Contributions**
- ☐ **Wages ordered paid in legal proceedings**
- ☐ **Amount contributed by the member to:**
 - ☐ **125 – Cafeteria Plans**
 - ☐ **403(b) – Tax Sheltered Annuities**
 - ☐ **457 – Deferred Compensation Plans**

Employer Reporting

Compensation Does Not Include

- ☐ **Fraudulently Obtained Amounts**
- ☐ **Unused leave converted to cash**
- ☐ **Insurance premiums converted to cash**
- ☐ **Expense reimbursements**
- ☐ **Fringe benefits**
- ☐ **Donated leave (hired on or after 7/1/18)**
- ☐ **Per Diems for expense reimbursement**
- ☐ **Bonuses**

Employer Reporting

Early Termination

- ☐ Partial contract is completed (50 days includes available used leave)
- ☐ Employee has exhausted sick/vacation
- ☐ Only report compensation/hours from actual service provided/used leave
- ☐ Report: 50 (8 hr) days of 188 day \$82,000 contract

$$50/188 \times \$82,000 = \$21,808.51$$

$$50 (8 \text{ hr days}) = 400 \text{ hours}$$

Employer Reporting

Early Termination - Docked

- ☐ **Partial contract is completed (10 days actual service/leave)**
- ☐ **Employee has exhausted sick/vacation**
- ☐ **Compensated beyond accrued leave (40 days) with compensation docked the daily substitute rate (\$140)**
- ☐ **Report to NPERS only compensation and hours from actual service provided and/or used leave (10 days)**

Employer Reporting

Early Termination - Docked

- ❑ Reported: 50 (8 hr) days of 188 day
\$82,000 contract; 40 days are docked @
\$140/day

$$(50/188 \times \$82,000) - (40 \times \$140) =$$
$$\$21,808.51 - \$5600.00 = \$16,208.51$$

$$50 (8 \text{ hr days}) = 400 \text{ hours}$$

- ❑ Should Report to NPERS:

$$10/188 \times \$82,000 = \$4,361.69$$

$$10 \text{ days} \times 8 \text{ hours} = 80 \text{ hours}$$

Employer Reporting

2017-2018 Contribution Rates

- ❑ Member – 9.78%
 - ❑ LB382 sunset provision passed in 2011 would have lowered rate to 7.28% effective September 1, 2017
 - ❑ LB553 in 2013 struck language eliminating the sunset making 9.78% a permanent rate
- ❑ Employer Match – 101% (9.8778)
- ❑ State Contribution – 2%

Due Date 10th

**Wage & Contribution Report &
payment due 10th of each month**

- ☐ **The next business day if the 10th falls on a weekend/holiday**
- ☐ **If late, contact us prior to due date
– NPERS will work with you!**

Adjustments...

- ☐ **You are adjusting a prior report that has already posted**
- ☐ **Provide a detailed explanation for the adjustment**
- ☐ **Contact Linda or Caleb for assistance**

Adjustments

**We're only
human!**



Termination after Age 65

- Members contact NPERS prior to termination
 - Are they eligible to receive a benefit?
 - When can they begin receiving a benefit?
 - Options
- After age 70.5
 - Complete and submit non-con ASAP
 - Notify NPERS even if they are not currently contributing
 - Required to begin distributions from retirement accounts (RMD's)
 - IRS penalties

How to Apply

- ☐ Not required to attend a seminar

Member allowed to attend two and receive the day off with pay

- ☐ Not required to have a one-on-one appointment

No paid leave to attend a one-on-one NPERS appointment

- ☐ Call NPERS - Up to six, but preferably no less than one month prior to retirement.

- ☐ A personalized retirement packet will be mailed

- ☐ Send completed retirement application to NPERS

Reemploying Retirees

In a Participating NE Public School

- ☐ **No *regular service* until *after* a 180 calendar day break from termination date**
 - ☐ **Cannot hold a position**
 - ☐ **Cannot sign a contract to return**
 - ☐ **Cannot “pre-arrange” return to employment**
 - ☐ **Cannot continue as an independent contractor or as an employee of an outside independent contractor providing service to the school**

Reemploying Retirees

In a Participating NE Public School

- ❑ If no *bona fide* break occurs, benefits stop, they must repay all payments received plus interest
- ❑ After a bona fide break occurs – they are now a new employee, determine eligibility, start contributions, new account, new service credit, new beneficiary form
- ❑ Reemployment after 7/1/2013 and eligible to participate they are Tier 2

Subbing & Coaching

Subbing – allowed during 180-day bona fide break

- ☐ *Intermittent only, not regular*
- ☐ *Infrequent*
- ☐ Filling in – *not their job*
- ☐ Quantity is not defined in law
- ☐ If special situation, write to NPERS

Coaching – considered regular service

Internal Auditing

Audit Statistics FYE 6/30/17

- ☐ 35 (+2) Schools Audited**
 - ☐ 8,519 (+2,073) Contributing Members**
 - ☐ 411 (+32) Active Members Tested (5%)**
 - ☐ 1,684 (+120) Non-Contributing (all)**

Internal Auditing

Audit Findings FYE 6/30/17

- ❑ 2 (-1) Schools had no findings**
- ❑ 7 (-26) Members had gross wage issues (2%)**
- ❑ 55 (+18) Not properly enrolled on time (13%)**
- ❑ 104 (+16) Had incorrect hours reported (25%)**
- ❑ 17 (-8) Demographics were inconsistent with NPERS (4%)**

Internal Audit Process

When you are selected

- ☐ **Questionnaire**
- ☐ **Payroll Register – with all employees listed (November 2016)**
- ☐ **Master or Negotiated Agreement (2016-2017)**
- ☐ **Employee Sampling**

Internal Audit Process

Employee Sampling

- ☐ **Social Security Number**
- ☐ **Demographic Information**
- ☐ **Date of Birth**
- ☐ **Date of Hire**
- ☐ **Employment Information**

Internal Audit Process

Employee Sampling

- ☐ **Employment Agreement – includes salary/hourly rates (2016-2017)**
- ☐ **Hours worked (if hourly-include timecards for wages reported)**
- ☐ **Any additional necessary information/documentation**

Internal Audit Process

Non-Contributing Employees

- ☐ **Documentation supporting hours worked each month from July 1, 2016 through June 30, 2017**
 - ☐ **Hours Report**
 - ☐ **Time Cards**
 - ☐ **Substitute Log**
- ☐ **Must account for all months**

Internal Audit Process

Completing the Process

- ☐ **Notification Letter Sent to School Identifying Results**
- ☐ **Respond to NPERS within 20 days**
- ☐ **Return documentation to NPERS ASAP supporting corrected Audit Points**
- ☐ **Audit file cannot be closed until all audit points are resolved**

Reminders...

For new and current employees

- ✓ Address updated through employer reporting
- ✓ Keep beneficiary forms up to date - NOTARIZE
- ✓ Vesting Credit Form – completed within 180 day of hire for prior Nebraska governmental retirement plan participation
- ✓ Contact NPERS with questions concerning the school retirement plan and their account

Reminders...

For terminating employees

- ✓ Member must update address with NPERS
- ✓ Keep beneficiary forms up to date
- ✓ Must contact NPERS to begin the retirement process

Reminders...

For reporting agents

New Hire Packet-

for new
and
returning
employees

Welcome, New School Plan Member!



Welcome to the School Employees Retirement Plan. Whether you are beginning your career or you previously worked in the Nebraska public schools, we welcome your membership and the opportunity to help you understand your retirement plan.

We have created this document to provide new members with important information regarding the retirement benefits offered to School employees. Click on the links or visit our website to obtain copies. **If you do not have internet access, your employer should provide these documents.** If you have questions about the materials, please feel free to contact us.

Reminders...

For reporting agents

Keep Contact Info Current!

- ☐ Year round contact
- ☐ Online contact must be same as on Employer Contact Form
 - ☐ Form is in Manual or on website
- ☐ Click link “Change Web Profile”
- ☐ Call NPERS for assistance

Reminders...

For reporting agents

- ☐ Only report hours during the reporting periods the member physically worked.
- ☐ Termination date on Non-Con is not necessarily the last day they physically provide service.
 - ☐ Must coincide with terms of their contract – required by law to contain start and end dates
 - ☐ May be affected by used leave
- ☐ Do not email confidential information
- ☐ Uploaded files no longer require a date of address change

Reminders...

For reporting agents

- ✓ School officials/administration do not have authority when determining an employee's eligibility to participate
- ✓ Facts and circumstances matter
- ✓ Review currently ineligible employees periodically for changes in eligibility
- ✓ Refer to the NPERS website to assist you with reporting

Contact NPERS

800-245-5712 or 402- 471-2053

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